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TOWN OF GRANBY

MEMORANDUM

DATE: April 12, 2021

TO: Karen Hazen, Town Clerk

FROM: William F. Smith, Jr., Interim Town Manager

REGARDING: Budget Public Hearing and Special Meeting of the Board of Finance

Michael Guarco, Chairman of Board of Finance, has called for a special meeting of the Board of Finance. The special meeting will be held on Monday, April 12, 2021, at 7:30 p.m. or immediately following the public hearing at the High School Auditorium. The meeting will be held in the auditorium and can be accessed via Zoom as well.

The following agenda pertains:

1. Approve Minutes from Previous Meeting
2. Consideration of Action on the 2021-22 Annual Town Budget to be Voted on April 26, 2021
3. Consideration of Auditor Appointment for FY2020-21 Audit
4. Confirm Date of Next Meeting
5. Adjournment

pc: Board of Finance
First Selectman
Interim Town Manager
Finance Administration Officer
Recording Secretary
BOE Chairman
Supt. of Schools
BOE Bus. Mgr.
Library (2)
Press

**TOWN OF GRANBY
BOARD OF FINANCE
MEETING MINUTES
March 29, 2021**

PRESENT: Michael Guarco, Chairman; Kelly Rome, Vice Chairman; William Kennedy, Frederick Moffa, Alfred Wilke and James Tsaptsinos

OTHERS PRESENT: Kimi Cheng, Administration Finance Officer; Jordan Grossman, Ed.D, Superintendent of Schools; Anna Robbins, BOE Business Manager; Sarah Thrall, BOE Chairman; Jenny Emery, BOE; Brandon Webster, BOE; B. Scott Kuhnly, First Selectman; Sally King, Vice Chairman BOS; Mark Neumann, BOS; Edward E. Ohannessian, BOS; Glenn Ballard, BOS; Kirk Severance, Director of Public Works

CALL TO ORDER:

Board of Finance was called to order by Chairman Michael Guarco at 7:00 p.m.

PUBLIC SESSION:

No public input at this meeting

APPROVAL OF MEETING MINUTES FROM PREVIOUS MEETING:

The Board reviewed the minutes from the regular meeting on February 22, 2021

ON A MOTION by W. Kennedy, seconded by K. Rome, the Board voted (6-0-0) to approve the meeting minutes of February 22, 2021.

STATEMENT OF ACCOUNTS:

A. B. Scott Kuhnly, First Selectman, reported highlights on the February 2021 Statement of Accounts.

Revenues:

The tax collection rate is consistent with the historical averages and stands at 101% (\$39,465,401). Auto Supplement is in excess at 104% (\$363,534). Town Clerk fees are showing a positive for statutory collections at 129% (\$258,091). Miscellaneous items for police photos, gun permits and other types of licenses are better than expected at 181% (\$14,442). Overall, general fund revenue stands at 94% (\$44,909,232).

Expenditures:

A payment was applied to the health fund in August 2020 for fringe benefits. Library Services, Social and Senior/Youth Services, Recreation Administration and Community Support stands at 76% (\$523,410). Debt Service stands at 97% (\$2,029,875). BOE stands at 62% (\$19,917,765). All of the General Fund expenses are where they should be at 72% (\$31,664,326).

Q&A:

K. Rome inquired about the Special Education Excess balance. K. Cheng will make the corrections on the formula.

M. Guarco inquired about the \$60K for the Debt Services. K. Cheng noted that \$50K will go to the General Fund and \$10K for fees.

M. Guarco inquired about the Fringe Benefit account which shows an unencumbered allotment at \$187,939. K. Cheng noted that the account is evolving (i.e. life and long-term disability insurance is monthly) and there are other items that are outstanding such as payroll taxes, pension, and ICMA that have not been expensed to the account.

B. Board of Education

BOE Business Manager, A. Robbins, reported on the February 2021 Statement of Accounts.

General Fund:

Total General Fund is better than the previous month by \$7K. Special Education is over budgeted by \$54K which is better than the previous month by 85K due to the fact that students are using less transportation while remote learning. Custodial & Maintenance Salaries is over budget by \$219K. Bus Monitors is also over budget by \$119K.

Revenue:

BOE received the Excess Cost Reimbursement. Revenue to the town is showing stable and under budget \$96K which is better than the previous month.

FY21- FY22 BUDGET PROPOSAL:

A. Board of Selectman

B. Scott Kuhnly, expressed condolences to the Ward family. He also expressed gratitude to K. Cheng and K. Kane for assisting in putting together a conservative budget.

B. Scott Kuhnly, First Selectman, presented the approved and completed budget for 2021-2022 Fiscal Year to the Board of Finance per the Town Charter (Section 10-3).

Town Operations for FY22 increased by 2.52% for a total of \$12,035,084. Debt Services decreased by 21.31% for a total of \$1,644,620. Capital Budget increased by 5.71% for a total of \$1,850,000. Transferring \$2,000,000 for the OPEB trust fund. The budget meets the guidelines set forth by the BOF at **\$17,529,704**.

REVENUE BUDGET

GENERAL FUND REVENUES	\$ AMOUNT
Property Tax (excl. Current Levy)	\$700,000
Intergovernmental Revenues	\$6,929,880
Local Departmental Revenues (excl. Fund Transfer)	\$605,002
Current Tax Levy	\$39,514,514
General Fund Transfer	\$2,963,814
TOTAL	\$50,713,210

EXPENDITURE BUDGET

GENERAL FUND EXPENDITURES	\$ AMOUNT
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Administration	\$4,838,126
Personal & Property Protection	\$2,920,480
Public Works & Environment	\$3,248,773
Libraries, Recreation & Social Services	\$1,027,705
Town Operations Budget	\$12,035,084
Capital Budget	\$1,850,000
Debt Service	\$1,644,620
SUB-TOTAL	\$15,529,704
Transfer to OPEB Trust Fund	\$2,000,000
TOTAL	\$17,529,704

OTHER FUND BUDGET

Dog Fund	\$17,200
Recreation Events (P&R and HF)	\$584,584
Sewer Utility	\$298,644
Capital Equipment / Improvement	\$2,404,577
Education Quality & Diversity	\$1,056,942*
Solid Waste Fund	\$147,000
2022 – 2031 Capital Improvement Program	(detailed in budget document)

* This number had been updated according to the BOE Budget Book which was approved by BOE on March 17, 2021

M. Guarco inquired about the renovations for the Town Hall complex. K. Severance noted that there was an extensive two-year project which required replacing 20-year-old AC units as well as installing touch free faucets and toilets. Improvements are on a phased approach to help improve efficiency.

B. Board of Education

Sarah Thrall, BOE Chairman, expressed condolences to the Ward family. She publicly thanked the Board of Education for the contributions to the proposed budget.

Sarah Thrall presented the proposed budget for the 2021-2022 Fiscal Year to the Board of Finance which showed a 3.56% increase at \$33,183,506. The budget was developed around the newly adopted Granby Board of Education goals which include the following:

Student Learning and Achievement: Decrease achievement gaps

Community Engagement: Enhance communication and build trusting relationships

Safety and Social Emotional Well-Being: Foster a safe and positive environment

Budget Development and Fiscal Management: Maximize available financial resources

Embracing Diversity: Acceptance of human diversity and eliminate bias

Professional Learning: Develop instructional skills and strategies

District enrollment is projected to remain steady over the next couple of years. By FY26, enrollment is projected to increase by 58 students (3.26%).

FY21 Operating Budget	\$32,043,750
FY22 Operating Budget Request (3.56%)	\$33,183,506
Quality and Diversity Fund	\$1,056,942
Small Capital Fund	\$1,000,000
Board of Education Appropriation Request	\$35,240,448

K. Rome inquired about the AP Bootcamp. J. Grossman noted that is a new concept for Granby students who can benefit from taking rigorous courses that could be applied towards college credits. This bootcamp is free of charge.

J. Tsapstinos inquired about computer wear and tear in the home learning. J. Grossman noted that wear and tear is reflected in the budget.

A. Wilke inquired about Special Education and if there was a way to build in a cushion in the budget. J. Grossman noted that Special Education expenses can fluctuate and it is a moving number. It is marked "as needed" on the budget.

M. Guarco inquired about high deductible plans. A. Robbins noted that the teachers group recently moved over to the high deductible plan. She is hopeful that bargaining unions will also move over to high deductible plans.

M. Guarco inquired about the small capital and the number of buildings that needed security alarm panels. A. Robbins noted that the panels are aging and it is becoming increasingly difficult to find parts to integrate into the new technology.

M. Guarco inquired about the staircase project. A. Robbins noted that the state denied the ADA requirement which meant that the BOE had to absorb the cost. Therefore, BOE will use Small Caps Fund to cover the cost of this project.

M. Guarco inquired about the catch basins repairs at the high school. A. Robbins noted that catch basins are deteriorating underneath and requires extensive repairs.

C. Transfer of OPEB Trust Fund

M. Guarco, BOF Chairman, discussed the rationale behind the transfer of the \$2,000,000 OPEB Trust Fund. The recommendation is to let the markets grow the fund which alleviates the pressure to increase the mill rate. M. Guarco proposed to the Board to keep the mill rate flat.

Comments from the Board

- F. Moffa noted that he attended the Board of Selectman workshops and they did a great job in presenting the costs. This is the third year that the mill rate has not changed. By doing this, it provides the taxpayers a way to budget. Refunding the debt on the town is a great step to help with the debt services.
- J. Tsapstinos noted that the towns biggest challenge is revenue. We will have to get creative in generating revenue in the future. However, the \$2M transfer is a great use of our money for the potential expected return.

- K. Rome thanked both the Board of Selectman and Board of Education for their hard work. As a municipality there are restrictions on what we can and cannot do. Therefore, it is imperative the town generate creative ideas to reduce town liability considering we do not have additional ways to get revenues other than taxes.
- A Wilke stated three points: (1) keeping the mill rate flat is a significant win for the taxpayers; (2) the Boards went through a tedious process to make sure we are financially fit; (3) It is truly a win-win going forward with the \$2M OPEB transfer. The implications today will help the future.
- W. Kennedy thanked both Boards for their hard work. The \$2M transfer was an easy consideration for him. By taking \$2M and putting it in a richer fund will provide better returns to help balance debt in coming years.

ON A MOTION by K. Rome, seconded by W. Kennedy, the Board voted unanimously (6-0-0) to approve the proposed budgets presented by the Board of Selectmen and the Board of Education, as well as transfer of the \$2,000,000 OPEB Trust Fund.

PUBLIC HEARING:

The package will go forward to the Public Hearing. The meeting is scheduled for Monday, April 12, 2021 at the high school.

DATE OF NEXT MEETING:

The next Board of Finance meeting is scheduled for a Public Hearing on **Monday, April 12, 2021 at 7:00 p.m.** per the town charter.

ADJOURNMENT:

ON A MOTION by F. Moffa, seconded by A. Wilke, Board voted unanimously (6-0-0) to adjourn the meeting at 8:28 p.m.

Respectfully submitted;



Jennifer Smith
Recording Secretary

TOWN OF GRANBY

MEMORANDUM

DATE: April 12, 2021

TO: Board of Finance

FROM: William F. Smith, Jr., Interim Town Manager



REGARDING: BUSINESS – 3

Consideration of Auditor Appointment for FY2020-21 Audit

Background

Connecticut General Statutes (C.G.S. Sections 7-396 and 4-232) require the appointing authority of any municipality, audited agency or non-profit agency to file with the Secretary of the Connecticut Office of Policy and Management (OPM) the name of the independent auditor designated to conduct the audit. The notification must be made at least thirty days before the end of the fiscal period of the entity for which the audit is required.

Effective January 2021, Blum Shapiro was acquired by CliftonLarsonAllen, LLP. All services and auditors team assigned to the Town to complete the audit will remain the same, so there is no impact to the Town.

Next Steps

If the Board of Finance supports the appointment of the CliftonLarsonAllen, LLP as the Town's auditors for fiscal year 2020-21, the following proposed motion is for your consideration:

PROPOSED MOTION: THE BOARD OF FINANCE APPOINTS THE FIRM CLIFTONLARSONALLEN LLP AS THE INDEPENDENT AUDITORS TO PERFORM THE TOWN OF GRANBY'S AUDIT FOR FISCAL YEAR 2020-21.

WFS/kc

cc: Kimi Cheng, Administration Finance Officer